

HEALTH

Dan Schuring, Analyst

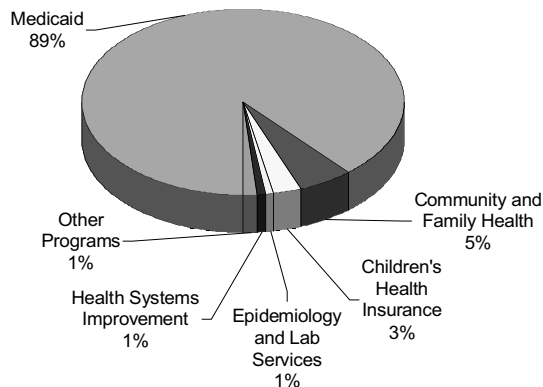


AGENCY BUDGET OVERVIEW

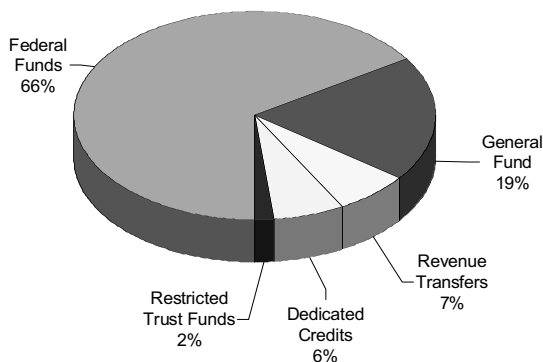
HEALTH

Mission: To protect the public's health by preventing avoidable illness, injury, disability and premature death; assuring access to affordable, quality health care; promoting healthy lifestyles; and monitoring health trends and events

Where Will My Taxes and Fees Go for Health?
(Total FY 2007 Funding is \$1,931,790,200)



Financing of Health
(Based on FY 2007 Recommendations)



MAJOR ACCOMPLISHMENTS AND SERVICES

(Headings include funding in Governor's Recommendations)

Medicaid - \$1.7 billion

- Provided health care for 197,000 individuals
- Provided primary health care for 19,050 individuals through the Primary Care Network

Community and Family Health - \$105.7 million

- Vaccinated 540,829 children and adults
- Screened 6,800 women for cancer
- Served 3,217 children through the Baby Watch/Early Intervention program
- Provided tobacco cessation services for 13,000 smokers

Children's Health Insurance (CHIP) - \$51.3 million

- Provided health and dental care for 28,146 children

Epidemiology and Lab Services - \$17.9 million

- Detected and investigated 3,162 communicable diseases, including E. coli and influenza
- Investigated 80 disease outbreak clusters in FY 2005
- Enhanced capacity to rapidly detect and respond to bio-terrorism events

Health Systems Improvement - \$15.9 million

- Conducted basic health and licensing inspections for 750 health care providers and 350 Medicare and Medicaid providers
- Implement new programs to reduce the estimated 400 deaths per year due to medical errors in hospitals
- Performed pre-admission and continued-stay reviews for 4,700 Medicaid patients in nursing homes and facilities for the mentally retarded or mentally ill

Other services, such as local health departments and bio-terrorism preparedness - \$28 million

RECOMMENDATIONS: GOVERNOR'S GOALS AND INITIATIVES

(See itemized table for full list of recommendations)

Maintain Utah's current Medicaid program

- Fund Medicaid utilization and caseload growth with \$20,309,600 in ongoing General Fund (\$78,522,500 in ongoing total funds)
- Replace \$8,601,400 in lost federal Medicaid matching revenue with an equivalent amount of ongoing General Fund
- Continue Medicaid adult dental services with \$3,917,100 in one-time General Fund (\$13,185,100 in one-time total funds)
- Continue Medicaid adult vision services with \$780,900 in one-time General Fund (\$2,655,100 in one-time total funds)

Increase Medicaid provider rates

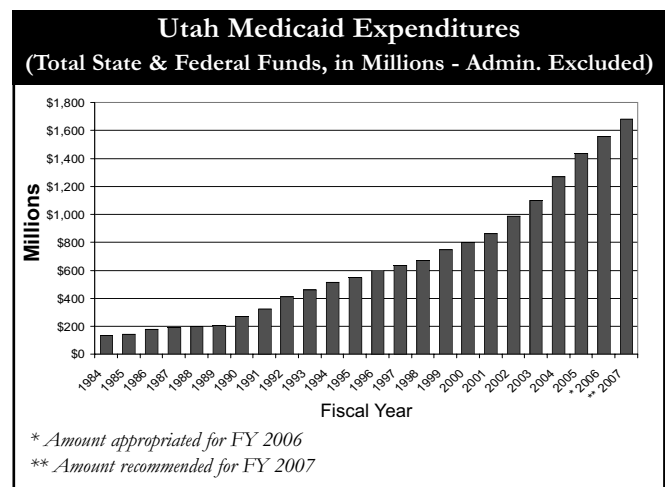
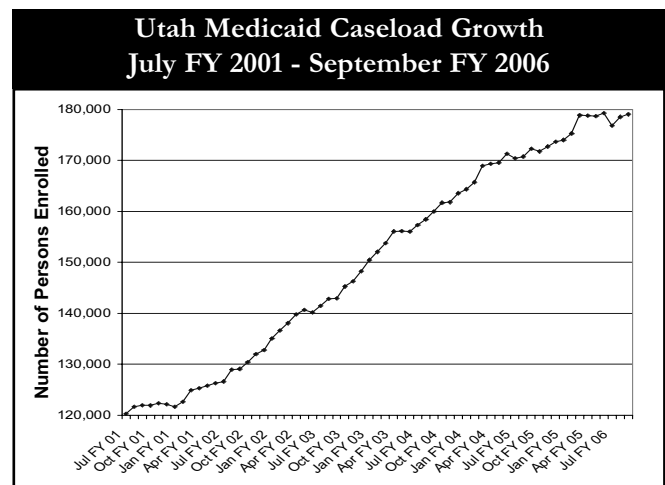
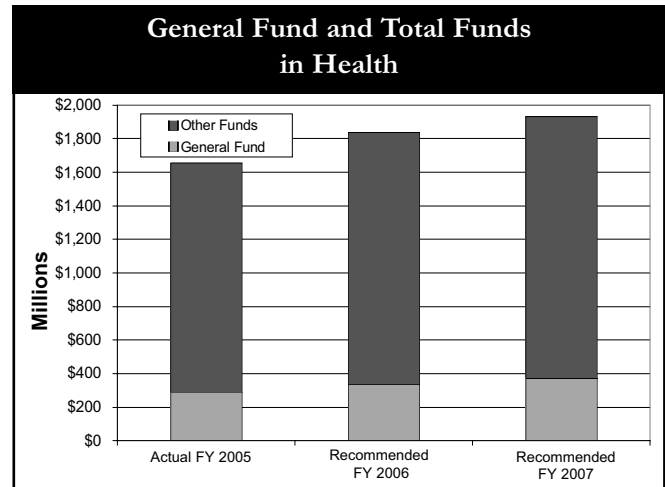
- Increase the reimbursement rates for all Medicaid providers with \$10,711,800 in ongoing General Fund (\$38,169,300 in ongoing total funds); half of these funds will be used for a 10.5 percent increase in prescription drug prices

Provide funding for Medicaid growth resulting from Medicare Part D prescription drug benefits outreach

- Provide services to individuals who will enroll in Medicaid as a result of the outreach efforts for Medicare Part D with \$4,606,400 in ongoing General Fund (\$9,473,100 in ongoing total funds) and \$3,249,300 in supplemental General Fund (\$6,659,700 in supplemental total funds)
- Increase the number of Medicaid eligibility workers to manage the caseload growth from Medicare Part D with \$60,000 in supplemental ongoing General Fund (\$120,000 in supplemental ongoing total funds)

Manage other Department of Health issues

- Fund Baby Watch/Early Intervention caseload growth with \$675,300 in ongoing General Fund
- Replace lost federal revenue for the Utah Birth Defect Network with \$352,900 in ongoing General Fund
- Retain the state epidemiologist with \$225,000 in ongoing General Fund; the state epidemiologist was previously funded by the federal government



PROPOSED LEGISLATIVE INTENT LANGUAGE

FY 2006 Proposed Legislative Intent

- If funds are available, the Division of Epidemiology and Lab Services is authorized to not lapse up to \$200,000 for laboratory equipment.

FY 2007 Proposed Legislative Intent

- Civil money penalties collected for child care provider violations are nonlapsing.
- Fees collected for the purpose of plan reviews by the Bureau of Health Facility Licensure, Certification and Resident Assessment are nonlapsing.

- Civil money penalties collected for health care provider violations are nonlapsing.
- Funds for the Primary Care Grants Program are nonlapsing.
- Funds for alcohol, tobacco, and other drug prevention, reduction, cessation, and control programs are nonlapsing.

HEALTH**Operating Budget**

Governor Huntsman's Recommendations							
	Actual FY 2005	Authorized FY 2006	Supple- mentals	Recommended FY 2006	Base FY 2007	Ongoing and One-time Adj.	Total FY 2007
Plan of Financing							
General Fund	\$287,596,500	\$323,978,900	\$13,253,100	\$337,232,000	\$319,258,200	\$53,191,200	\$372,449,400
Federal Funds	1,119,576,700	1,208,438,100	20,983,100	1,229,421,200	1,184,718,200	88,050,400	1,272,768,600
Dedicated Credits	114,622,900	114,143,200	0	114,143,200	117,449,800	6,704,900	124,154,700
Restricted and Trust Funds	26,893,300	31,687,300	0	31,687,300	31,702,300	127,600	31,829,900
Transfers	109,537,400	122,996,200	0	122,996,200	127,496,000	2,893,700	130,389,700
Beginning Balances	3,747,800	4,327,400	0	4,327,400	1,768,000	0	1,768,000
Closing Balances	(4,327,400)	(1,768,000)	0	(1,768,000)	(1,570,100)	0	(1,570,100)
Lapsing Funds	(1,554,000)	0	0	0	0	0	0
Total Financing	\$1,656,093,200	\$1,803,803,100	\$34,236,200	\$1,838,039,300	\$1,780,822,400	\$150,967,800	\$1,931,790,200
Programs							
Health							
Executive Director's Operations	\$26,519,700	\$24,894,600	\$70,000	\$24,964,600	\$24,641,900	\$1,297,400	\$25,939,300
Health Systems Improvement	12,123,700	15,331,500	0	15,331,500	14,940,800	911,400	15,852,200
Epidemiology and Lab Services	15,865,300	16,631,400	0	16,631,400	16,937,200	960,800	17,898,000
Community and Family Health	98,790,200	105,145,100	0	105,145,100	103,087,200	2,654,600	105,741,800
Health Care Financing	67,679,200	69,617,600	120,000	69,737,600	68,802,400	2,706,900	71,509,300
Medical Assistance (Medicaid)	1,397,207,200	1,517,919,700	34,046,200	1,551,965,900	1,499,073,100	142,347,500	1,641,420,600
Children's Health Insurance	35,866,700	52,207,500	0	52,207,500	51,284,100	52,700	51,336,800
Local Health Departments	2,041,200	2,055,700	0	2,055,700	2,055,700	36,500	2,092,200
Total Budget	\$1,656,093,200	\$1,803,803,100	\$34,236,200	\$1,838,039,300	\$1,780,822,400	\$150,967,800	\$1,931,790,200
% Change from Authorized FY 2006 to Total FY 2007							7.1%
FTE Positions	--	1,336.4	6.0	1,342.4	1,331.2	10.5	1,341.7

HEALTH

HEALTH FY 2007 OPERATING BUDGET						
	General Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
Beginning Base Budget						
H1 FY 2006 appropriated budget	\$323,978,900	\$1,233,783,300	\$122,705,300	\$31,687,300	\$122,500,600	\$1,834,655,400
H2 Adjustments for one-time FY 2006 appropriations	(4,639,000)	(10,975,400)	0	0	0	(15,614,400)
H3 Adjustments for extra working day	(81,700)	(101,600)	(22,000)	(4,300)	(14,800)	(224,400)
H4 Adjustments to funding levels	0	(37,988,100)	(5,233,500)	19,300	5,208,100	(37,994,200)
Total Beginning Base Budget - Health	319,258,200	1,184,718,200	117,449,800	31,702,300	127,693,900	1,780,822,400
Statewide Ongoing Adjustments						
H5 Cost-of-living adjustments of 2.5%	622,800	833,800	166,000	30,300	71,000	1,723,900
H6 Discretionary salary increase funding	489,800	658,000	129,000	24,200	56,000	1,357,000
H7 Internal service fund adjustments	(10,600)	(12,800)	1,800	200	300	(21,100)
H8 Human resources consolidation adjustments	28,100	36,900	0	0	0	65,000
H9 Health insurance rate adjustments	419,900	582,300	115,600	21,300	48,500	1,187,600
H10 Termination pool rate adjustments	898,900	1,208,500	240,000	43,700	103,500	2,494,600
H11 Retirement rate adjustments	158,400	214,400	41,300	7,900	17,000	439,000
<i>Subtotal Statewide Ongoing Adjustments - Health</i>	<i>2,607,300</i>	<i>3,521,100</i>	<i>693,700</i>	<i>127,600</i>	<i>296,300</i>	<i>7,246,000</i>
Ongoing Adjustments						
Executive Director's Operations						
H12 Medical Examiner operating budget	107,000	0	0	0	0	107,000
Health Systems Improvement						
H13 Primary care grants	200,000	0	0	0	0	200,000
Epidemiology and Lab Services						
H14 State Epidemiologist	225,000	0	0	0	0	225,000
Community and Family Health Services						
H15 Baby Watch/Early Intervention	675,300	0	0	0	0	675,300
H16 Utah Birth Defect Network	352,900	0	0	0	0	352,900
Health Care Financing						
H17 Eligibility workers for new enrollment due to Medicare Part D	60,000	60,000	0	0	0	120,000
Medical Assistance (Medicaid)						
H18 Increase in utilization/caseload	20,309,600	53,049,000	2,566,500	0	2,597,400	78,522,500
H19 Provider increases	10,252,700	22,926,600	3,444,700	0	0	36,624,000
H20 Loss of federal match rate	8,601,400	(8,601,400)	0	0	0	0
H21 New enrollment due to Medicare Part D	4,606,400	4,866,700	0	0	0	9,473,100
H22 Other provider increases	459,100	1,086,200	0	0	0	1,545,300
Local Health Departments						
H23 Local health departments provider increase	36,500	0	0	0	0	36,500
<i>Subtotal Ongoing Adjustments - Health</i>	<i>45,885,900</i>	<i>73,387,100</i>	<i>6,011,200</i>	<i>0</i>	<i>2,597,400</i>	<i>127,881,600</i>

HEALTH - CONTINUED

One-time Adjustments		General Fund	Federal Funds	Dedicated Credits	Restricted Funds	Other Funds	Total Funds
Medical Assistance (Medicaid)							
H24	Continuation of adult dental services	3,917,100	9,268,000	0	0	0	13,185,100
H25	Continuation of adult vision services	780,900	1,874,200	0	0	0	2,655,100
	<i>Subtotal One-time Adjustments - Health</i>	<i>4,698,000</i>	<i>11,142,200</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>15,840,200</i>
Total FY 2007 Health Adjustments		53,191,200	88,050,400	6,704,900	127,600	2,893,700	150,967,800
Total FY 2007 Health Operating Budget		\$372,449,400	\$1,272,768,600	\$124,154,700	\$31,829,900	\$130,587,600	\$1,931,790,200
HEALTH FY 2006 OPERATING BUDGET ADJUSTMENTS							
Supplemental Adjustments							
Health Care Financing							
H26	Eligibility workers for new enrollment due to Medicare Part D	\$60,000	\$60,000	\$0	\$0	\$0	\$120,000
Medicaid							
H27	Medicaid utilization						
H28	New enrollment due to Medicare Part D	10,263,700	18,448,400	0	0	0	28,712,100
H29	Medical Examiner shortfall	3,249,300	3,410,400	0	0	0	6,659,700
H30	Adult vision - return of one-time funds	70,000	0	0	0	0	70,000
		(389,900)	(935,700)	0	0	0	(1,325,600)
	<i>Subtotal Supplemental Adjustments - Health</i>	<i>13,253,100</i>	<i>20,983,100</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>34,236,200</i>
Total FY 2006 Health Budget Adjustments		\$13,253,100	\$20,983,100	\$0	\$0	\$0	\$34,236,200
HEALTH TOTALS							
FY 2007 Operating Base Budget		\$319,258,200	\$1,184,718,200	\$117,449,800	\$31,702,300	\$127,693,900	\$1,780,822,400
FY 2007 Operating Ongoing and One-time Adjustments		53,191,200	88,050,400	6,704,900	127,600	2,893,700	150,967,800
FY 2007 Operating Recommendation		372,449,400	1,272,768,600	124,154,700	31,829,900	130,587,600	1,931,790,200
FY 2006 Operating Adjustments		13,253,100	20,983,100	0	0	0	34,236,200